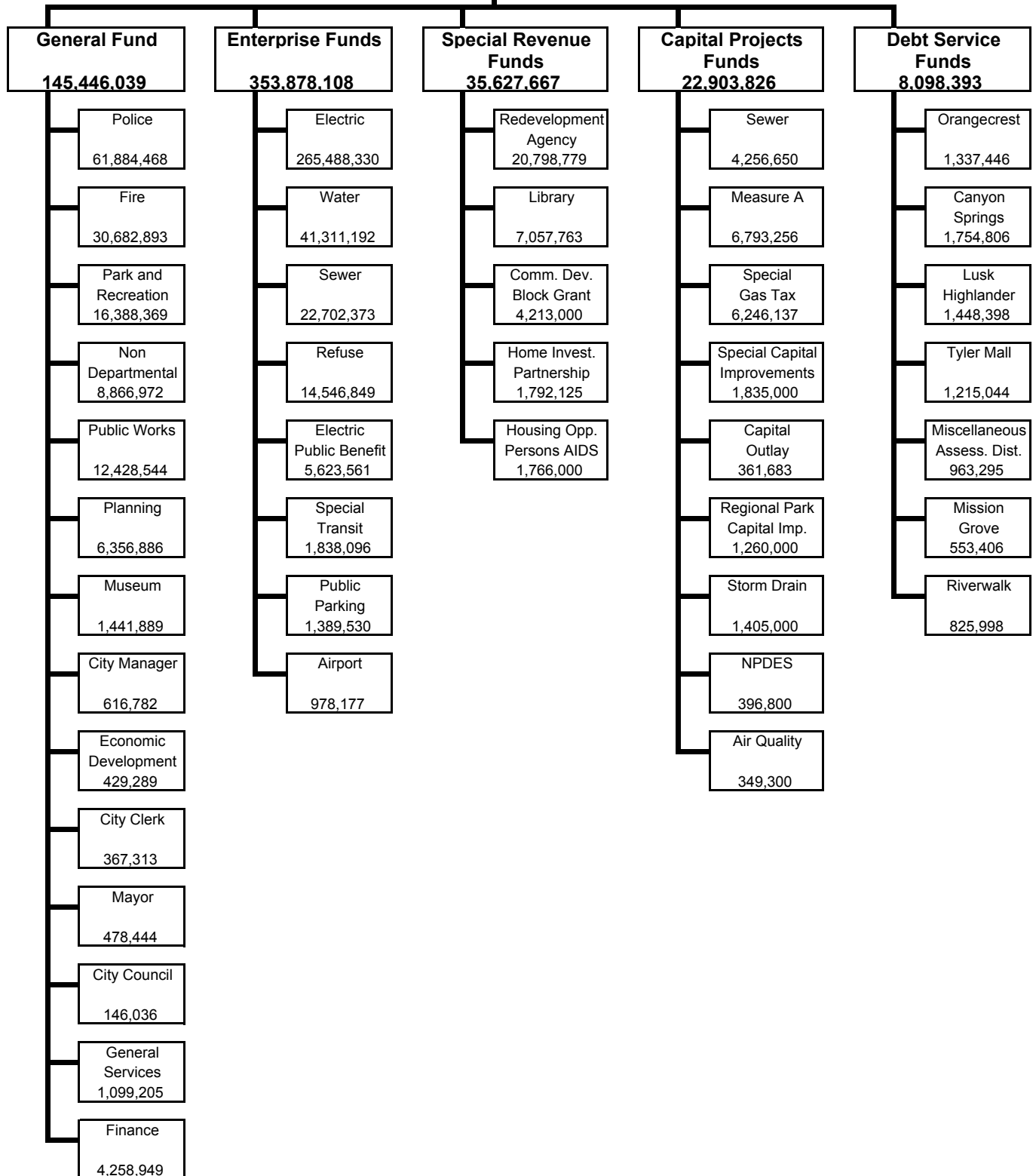


# Financial Organizational Chart

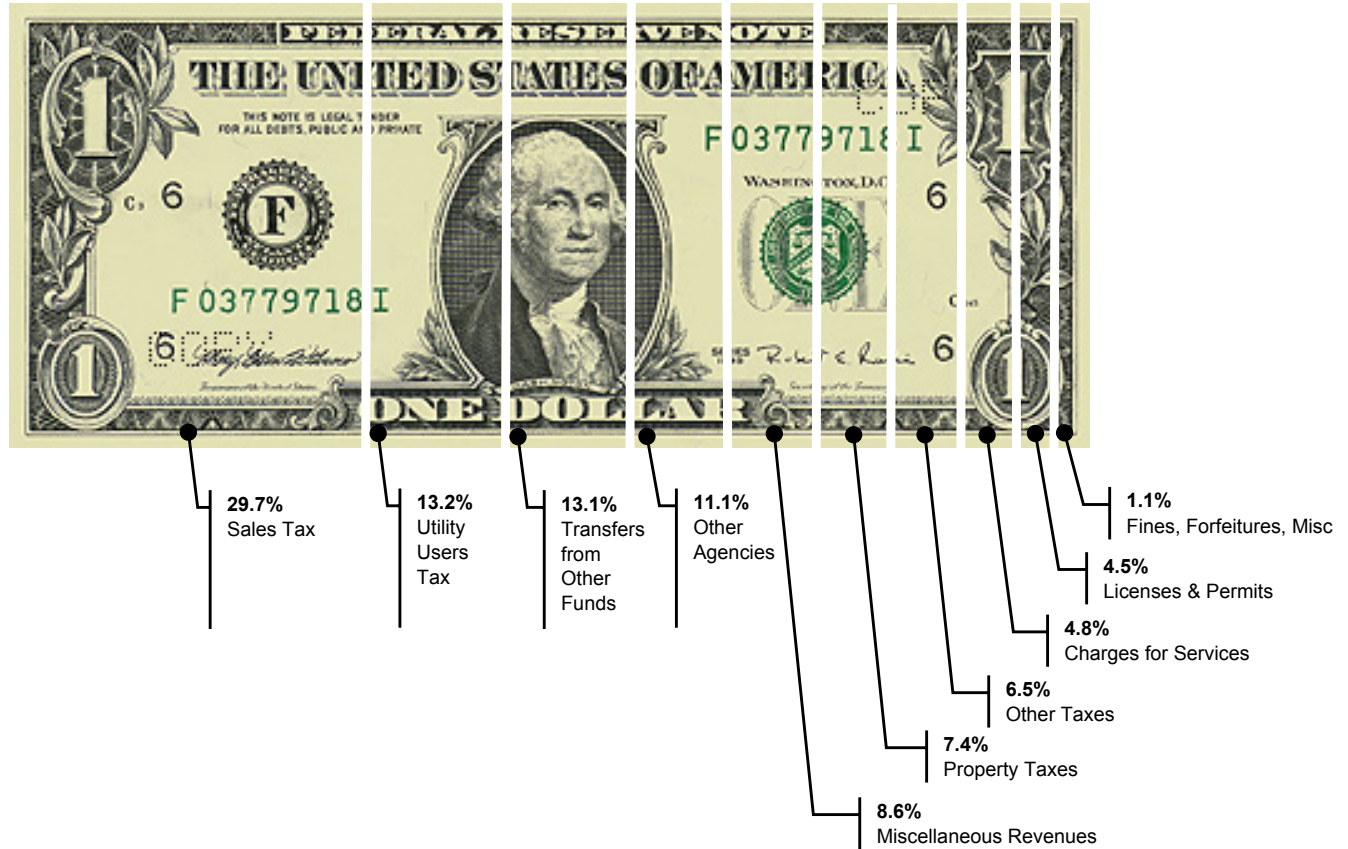
**Total City Budget  
FY 2003/04  
\$565,954,033**



## Where It Comes From

FY 2003/04

Total General Fund Requirements = \$147.9 Million

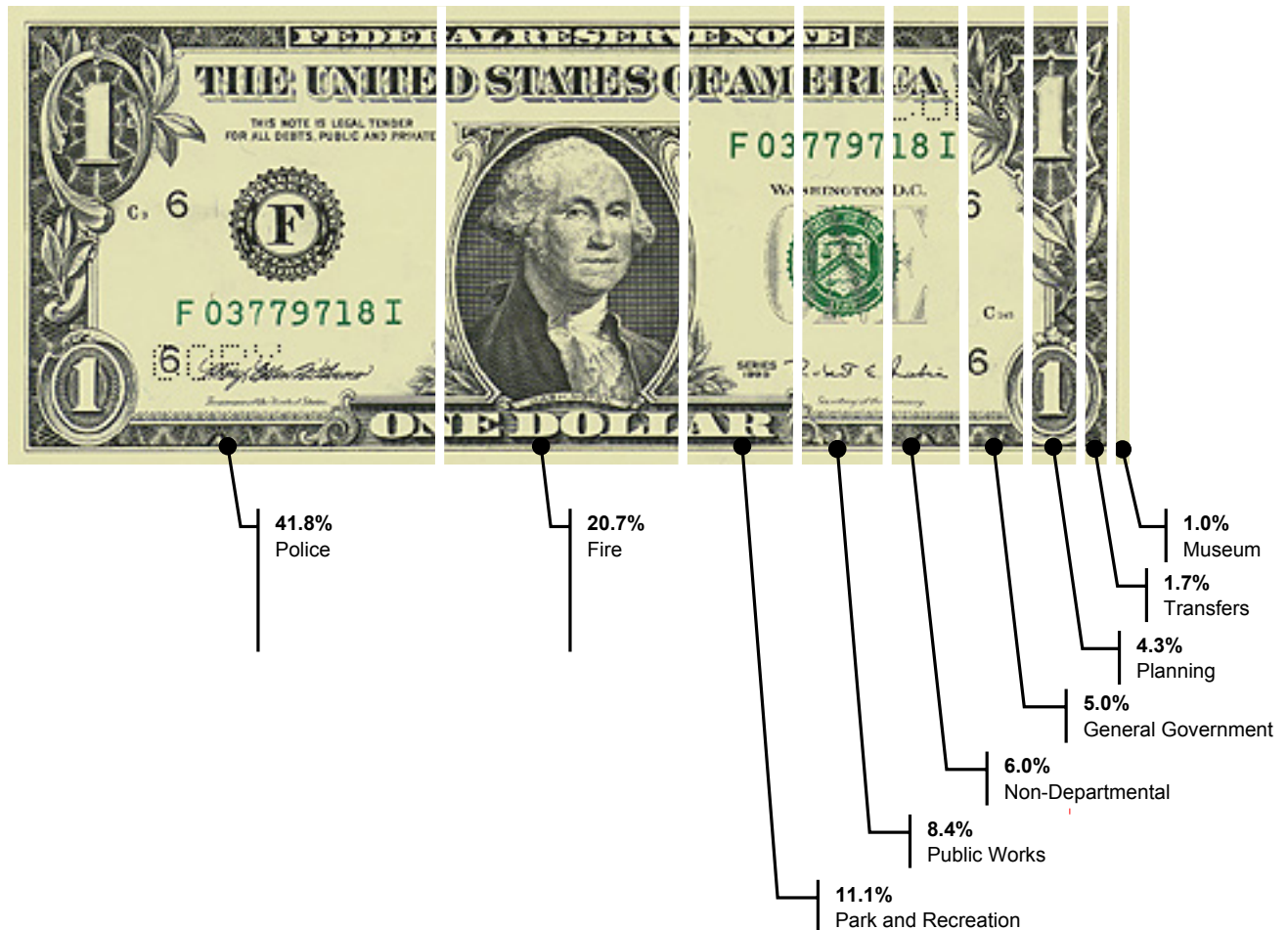


REVENUES	AMOUNT	PERCENT
Sales Taxes	43,900,000	29.7%
Utility Users Tax	19,499,000	13.2%
Transfers from Other Funds	19,339,883	13.1%
Other Agencies	16,461,000	11.1%
Miscellaneous Revenues	12,718,291	8.6%
Property Taxes	11,010,000	7.4%
Other Taxes	9,570,000	6.5%
Charges for Services	7,104,735	4.8%
Licenses & Permits	6,649,700	4.5%
Fines, Forfeitures, Misc	1,675,000	1.1%
<b>TOTAL</b>	<b>147,927,609</b>	<b>100.0%</b>

## Where It Goes

FY 2003/04

Total General Fund Requirements = \$147.9 Million



SERVICE AREA	AMOUNT	PERCENT
Police	61,884,468	41.8%
Fire	30,682,893	20.7%
Park & Recreation	16,388,369	11.1%
Public Works	12,428,544	8.4%
Non-Departmental	8,866,972	6.0%
General Government	7,396,018	5.0%
Planning	6,356,886	4.3%
Transfers	2,481,570	1.7%
Museum	1,441,889	1.0%
<b>TOTAL</b>	<b>147,927,609</b>	<b>100.0%</b>

## REVENUES AND FUND GROUPS

### FUND GROUPS

The City organizes its resources into six main fund categories: General Fund, Special Revenue Funds, Enterprise Funds, Debt Service Funds, Capital Project Funds, and Internal Service Funds. These groups and their major revenue sources are briefly described in the sections that follow.

**Table 1. All Funds Revenue Summary**

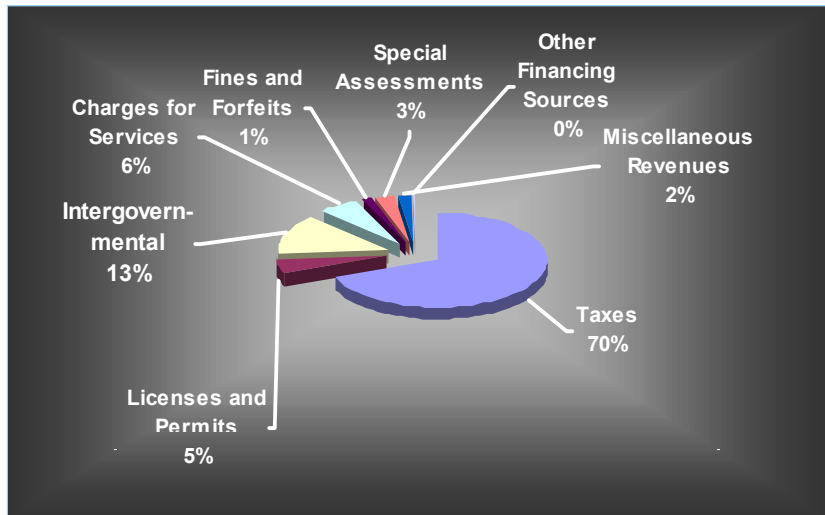
All Funds Revenue Summary						
	Actual FY 98/99	Actual FY 99/00	Actual FY 00/01	Actual FY 01/02	Actual FY 02/03	Approved FY 03/04
General Fund	\$95,635,461	\$105,529,130	\$114,034,481	\$118,103,265	\$124,227,631	\$122,062,571
Special Revenue Funds	23,855,928	20,169,635	21,019,010	16,899,101	22,960,279	20,949,148
Enterprise Funds	252,984,342	293,065,277	361,624,594	316,524,297	299,882,997	319,683,901
Debt Service Funds	36,344,041	26,028,168	24,670,346	28,801,264	24,701,843	24,706,216
Capital Projects Funds	23,466,582	18,035,318	20,285,317	17,399,530	19,540,623	7,494,512
Internal Service Funds	13,397,209	15,854,600	17,061,240	16,521,228	18,182,739	14,346,319
<b>Totals</b>	<b>\$445,683,563</b>	<b>\$478,682,128</b>	<b>\$558,694,988</b>	<b>\$514,248,685</b>	<b>\$509,496,112</b>	<b>\$509,242,667</b>

### GENERAL FUND

The General Fund is the City's primary operating fund for core services including police, fire, parks, recreation, and street maintenance.

The City's principal General Fund revenue sources include taxes (mainly sales, utility users, and property taxes), license and permit fees, and intergovernmental revenues. Combined, these revenues comprise approximately 66 percent of the General Fund revenues.

**Figure 1. General Fund Revenue Sources**



General Fund revenue sources are expected to generate \$122.06 million in FY 2003/04, a decrease of 1.7 percent from the previous year's budgeted revenues of \$124.2. Table 2 provides a three-year summary of General Fund revenues by category.

## REVENUES AND FUND GROUPS

**Table 2. General Fund Revenues by Category**

<b>Revenue</b>	<i>Actual 01/02</i>	<i>Revised 02/03</i>	<i>Budgeted 03/04</i>
Taxes	\$76,416,271	\$82,525,001	\$83,979,000
Licenses and Permits	\$6,448,738	\$7,242,700	\$6,649,700
Intergovernmental	\$16,851,059	\$16,171,972	\$16,461,000
Charges for Services	\$7,862,886	\$8,911,291	\$7,104,735
Fines and Forfeits	\$2,161,000	\$1,900,310	\$1,675,000
Special Assessments	\$3,543,112	\$3,531,966	\$3,544,000
Miscellaneous Revenues	\$4,682,046	\$3,875,243	\$2,464,136
Other Financing Sources	\$138,153	\$69,148	\$185,000
<b>Total</b>	<b>\$118,103,265</b>	<b>\$124,227,631</b>	<b>\$122,062,571</b>

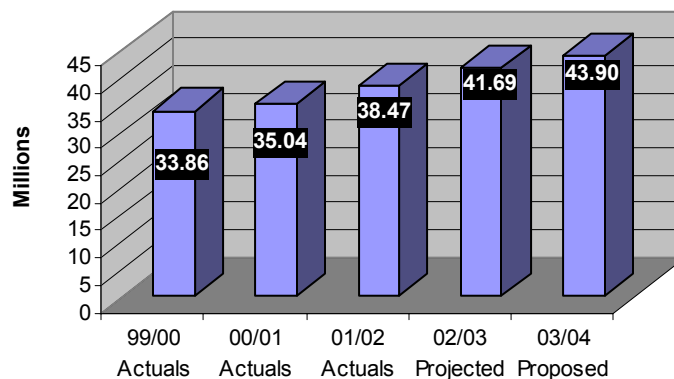
The City's top four performing revenues for the General Fund are the Sales and Use Tax (\$43.9 million), the Utility Users Tax (\$19.5), the Vehicle in Lieu Tax (\$15.9), and the Property Tax (\$11.0). The remainder of this section discusses these and other revenue sources, highlighting significant trends and changes.

### ***Taxes and Franchise Fees***

**Sales and Use Taxes** are imposed on retail transactions and are collected and administered by the California State Board of Equalization. The current rate in Riverside County is 7.75 percent, of which 1 percentage point is local sales tax allocated monthly by the State to the City of Riverside. Sales taxes are allocated based on point-of-sale whereas Use Taxes are allocated from county and statewide pools, proportionally based on taxable sales. The total sales tax rate includes 0.5 percent for transportation projects and programs (Measure A).

The Sales Tax has steadily increased each year in the past 10 years. The annual increase varies with the overall economy, and has averaged 8 percent over the past 3 years. The Sales and Use Tax is budgeted to increase by 5.2 percent in FY 2003/04.

**Figure 2. Sales Tax Growth over a Five-Year Period**



## REVENUES AND FUND GROUPS

A **Utility Users Tax** is imposed on telephone, electricity, gas, water, and cable television services within the city limits, at a rate of 6.5 percent of taxable services.

The Utility Users Tax (UUT) is the City's second highest revenue generator for the General Fund. It increased by 3 percent in FY 2002/03 and is projected to decrease by 2 percent in FY 2003/04, bringing in an estimated \$19.5 million to the General Fund.

**Property taxes** are levied at the statewide general property tax rate of 1 percent of assessed value, as established in 1978 by Proposition 13. The County of Riverside administers the property tax system, and the City of Riverside receives approximately 11 percent of the amount generated by property taxes levied within the city limits. The balance of the property tax revenues is allocated between the schools, Riverside County, and the City of Riverside Redevelopment Agency.

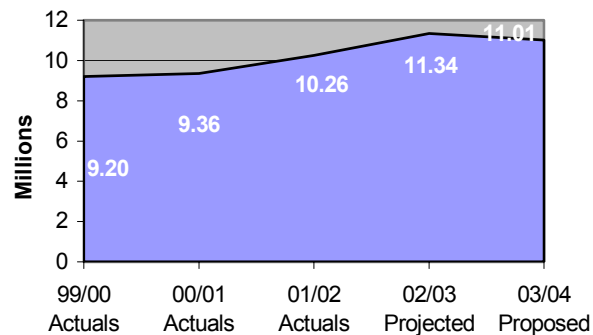
Property tax revenues increased in FY 2002/03, but are projected to be stable for FY 2003/04.

The **Transient Occupancy Tax (TOT)** is imposed on lodging facilities such as hotels and motels. The City's current tax rate is 11 percent of the hotel/motel rate. The TOT's FY 2002/03 shows a 4.7 percent increase over the prior year. The TOT is projected to be stable in FY 2003/04.

A state wide **1/2 percent sales tax for Local Public Safety Augmentation** was established in 1993 by Proposition 172. The County of Riverside allocates these funds to cities on a monthly basis based on their proportionate share of property tax losses due to the State's Educational Revenue Augmentation Fund (ERAF) shifts of the early 1990s. The Public Safety Sales Tax is projected to decrease by 5.2 percent for FY 2003/04.

**Franchise Fees** are levied by the City on various service providers, including gas and electric utilities, refuse services, and cable television services. Fees range from 2 percent of gross receipts for natural gas, 5 percent for cable, to 15 percent for refuse services. Franchise fees decreased by 6.4 percent in FY 2002/03, and is projected to increase by 10.2 percent in FY 2003/04.

**Figure 3. Property Tax Growth Over a Five-Year Period**

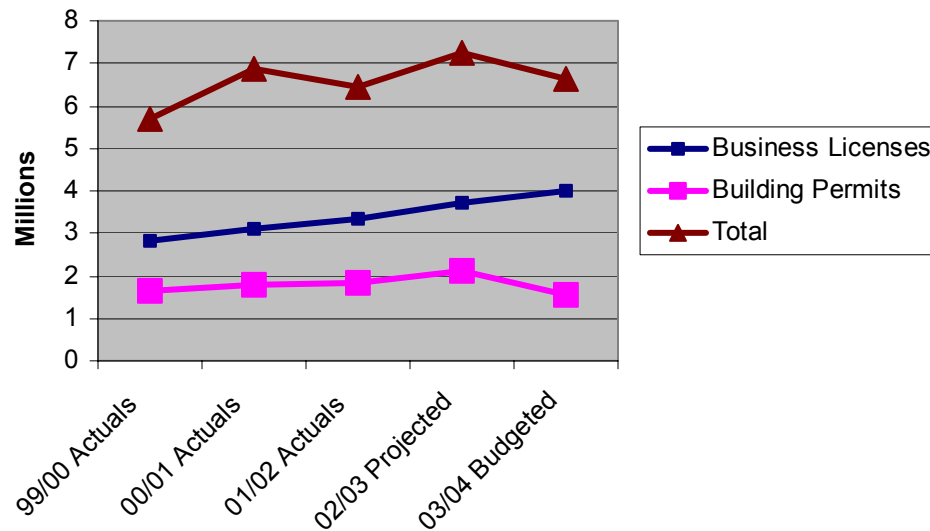


## REVENUES AND FUND GROUPS

### *Licenses and Permits*

Licenses and permits generate revenues for wide variety of activity, ranging from business licenses, to animal licenses, to building-related permits. The most significant revenue sources from the licenses and permits category are the Business License Tax and the Building Permit Fee. Licenses and permits comprise approximately 5 percent of the General Fund revenues. Figure 4 demonstrates the overall trends in these two revenue sources, as well as the trend for all revenue derived from licenses and permits.

**Figure 4. Licenses and Permits Revenues**



**Business License Taxes** are levied annually by the City on all establishments conducting business within the city limits. Tax amounts are based on gross sales, and, depending on the type of business, number of employees. The Business License Tax is projected to generate \$4.0 million in FY 2003/04.

The City of Riverside provides a variety of permits, including **Building Permits**. The Building Permit fee is projected to generate \$1.55 million in FY 2003/04, a decrease of 26.4 percent from FY 2002/03. This decrease is due to a projected slow down in building-related activity.

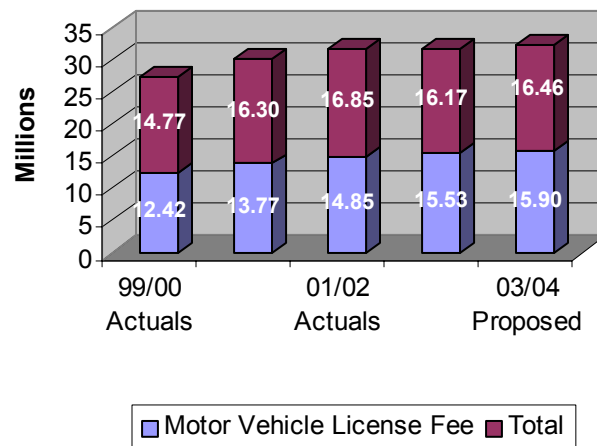
### **Intergovernmental Revenues**

Intergovernmental Revenues comprise approximately 14 percent of the General Fund revenues. The primary revenue source in this category is the **Motor Vehicle License Fee (VLF)**, which is levied by the state "in lieu" of property taxes. The VLF is based annually on vehicle market value and is anticipated to be \$15.9 million in FY 2003/04.



## REVENUES AND FUND GROUPS

Figure 5. Intergovernmental Revenues



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### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Included in this category are the Library Fund, Special Gas Tax Fund, Air Quality Improvement Fund, Citrus Grove Management Fund, Housing and Community Development Fund, Redevelopment Agency Fund, Special Designation Fund, and the National Pollution Discharge Elimination System (NPDES) Fund. The main revenue sources for these types of funds are Intergovernmental Revenues, Taxes and Miscellaneous Revenues.

The Special Revenue Funds total \$20,949,148 for FY 2003/04, a 8.7 percent decrease from the prior fiscal year. Below is a summary of the last three years of revenues in this fund area.

Table 3. Special Revenue Funds

Revenue	Actual 01/02	Revised 02/03	Budgeted 03/04
Taxes	\$5,536,472	\$6,071,916	\$5,688,500
Intergovernmental Revenues	\$9,546,801	\$14,338,469	\$12,911,125
Charges for Services	\$9,257	\$5,933	\$8,500
Fines & Forfeits	\$181,127	\$191,368	\$180,000
Miscellaneous Revenues	\$1,160,958	\$2,036,997	\$1,764,223
Special Assessments	\$464,486	\$315,596	\$396,800
<b>Total</b>	<b>\$16,899,101</b>	<b>\$22,960,279</b>	<b>\$20,949,148</b>

### ENTERPRISE FUNDS

Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. The City's intent is that the cost of services provided to the general public on a continuing basis is financed or recovered primarily through user charges.



## **REVENUES AND FUND GROUPS**

Included in this category are the Electric Fund, Electric – Public Benefits Surcharge Fund, Water Fund, Airport Fund, Refuse Fund, Transportation Fund, and the Parking Fund.

Enterprise Fund revenues for FY 2003/04 total \$319,683,901 representing a 6.6 percent increase from the FY 2002/03. Table 4 provides a summary of the last three years of revenues in this fund area.

**Table 4. Enterprise Fund Revenues**

<b>Revenue</b>	<i>Actual 01/02</i>	<i>Revised 02/03</i>	<i>Budgeted 03/04</i>
Charges for Services	\$285,665,063	\$278,276,591	\$290,987,745
Miscellaneous Revenues	\$28,701,203	\$17,258,614	\$24,645,300
Other Financing Sources	\$436,514	\$297,765	\$189,000
Taxes	\$28,739	\$0	\$25,000
Intergovernmental Revenue	\$1,692,778	\$1,664,522	\$1,680,096
Licenses and Permits	\$0	\$1,659,376	\$1,531,760
Fines and Forfeits	\$0	\$726,129	\$625,000
<b>Total</b>	<b>\$316,524,297</b>	<b>\$299,882,997</b>	<b>\$319,683,901</b>

### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources and payment of long-term debt obligations for the City and related entities. Included in this category are the Debt Service Fund, Riverside Civic Center Authority Lease Revenue Bond Fund, the Riverside Municipal Improvements Corporation, and land secured special financing districts.

Debt Service Fund revenues for FY 2003/04 total \$24,706,216, a .02 percent increase from the prior fiscal year. Table 5 presents a summary of the last three years of revenues in this fund area.

**Table 5. Debt Service Fund Revenues**

<b>Revenue</b>	<i>Actual 01/02</i>	<i>Revised 02/03</i>	<i>Budgeted 03/04</i>
Special Assessments	\$13,432,759	\$7,824,188	\$7,974,000
Miscellaneous Revenues	\$2,602,854	\$3,052,803	\$3,296,956
Taxes	\$11,887,073	\$12,943,592	\$12,554,000
Charges to Departments	\$878,578	\$881,260	\$881,260
<b>Total</b>	<b>\$28,801,264</b>	<b>\$24,701,843</b>	<b>\$24,706,216</b>

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. Included in this category are the Capital Outlay Fund, Special Capital Improvements Fund, Storm Drain Fund, Transportation Fund, and the Redevelopment Agency Fund. Capital Projects Fund revenues for FY 2003/04 are \$7,494,512, a 62 percent decrease from the prior fiscal year. Below is a summary of the last three years of revenues in this fund area.

**FY 2003/04 Strategic Budget**  
**City of Riverside**

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## **REVENUES AND FUND GROUPS**

**Table 6. Capital Projects Funds**

<b>Revenue</b>	<i>Actual 01/02</i>	<i>Revised 02/03</i>	<i>Budgeted 03/04</i>
Charges for Services	\$4,601,115	\$6,899,439	\$200,000
Miscellaneous Revenue	\$2,551,758	\$2,747,348	\$894,512
Intergovernmental Revenues	\$7,448,661	\$7,888,468	\$5,950,000
Impact Fees	\$1,203,314	\$2,005,368	\$450,000
Licenses & Permits	\$1,594,682	\$0	\$0
<b>Total</b>	<b>\$17,399,530</b>	<b>\$19,540,623</b>	<b>\$7,494,512</b>

### ***INTERNAL SERVICES FUNDS***

Internal Service Funds are used to account for the financing of goods and services by one city department to other city departments on a cost-reimbursement basis. Included in this category are the Workers' Compensation Fund, Unemployment Compensation Fund, Public Liability Fund, Central Stores Fund, Central Services Fund, and Central Garage Fund.

Internal Service Fund revenues for FY 2003/04 total \$14,346,319, a 21.1 percent decrease from FY2002/03. Table 7 provides a summary of the last three years of revenues in this fund area.

**Table 7. Internal Services Funds**

<b>Revenue</b>	<i>Actual 01/02</i>	<i>Revised 02/03</i>	<i>Budgeted 03/04</i>
Miscellaneous Revenue	\$999,599	\$742,539	\$400,000
Charges to Departments	\$8,579,388	\$10,009,211	\$6,233,644
Charges for Services	\$6,942,241	\$7,430,989	\$7,712,675
<b>Total</b>	<b>\$16,521,228</b>	<b>\$18,182,739</b>	<b>\$14,346,319</b>